

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

February 17, 2009
MAG Offices, Cholla Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Councilwoman Peggy Neely, Chair	Mayor Steven M. Berman, Gilbert
Mayor Thomas L. Schoaf, Litchfield Park, Vice Chair	Mayor James M. Cavanaugh, Goodyear
Mayor Hugh Hallman, Tempe, Treasurer	Mayor Scott Smith, Mesa
Mayor Marie Lopez Rogers, Avondale	

* Not present

Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Peggy Neely at 12:07 p.m. Chair Neely stated that public comment cards were available for those members of the public who wish to comment. She noted that transit tickets were available from Valley Metro for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

2. Call to the Audience

Chair Neely noted that, according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards and stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Neely noted that no public comment cards had been received.

3. Consent Agenda

Chair Neely noted that prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, Committee members may request that an item be removed from the consent agenda. There were no public comment cards received.

Chair Neely requested approval of the January 20, 2009, Executive Committee minutes. Mayor Berman moved to approve the minutes. Mayor Schoaf seconded and the motion carried unanimously.

Chair Neely noted that item #3B was recommended for approval at the February 11, 2009, MAG Management Committee.

Mayor Cavanaugh moved to approve items #3B and #3C on the consent agenda. Mayor Schoaf seconded and the motion carried unanimously.

3A. Approval of the January 20, 2009 Regional Council Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the January 20, 2009, Regional Council Executive Committee meeting minutes.

3B. Amendment to the FY 2009 MAG Unified Planning Work Program and Annual Budget to Provide Additional Funds for the MAG Intelligent Transportation Systems and Safety Services On-Call Services Consultant Project

The Regional Council Executive Committee, by consent, approved to amend the FY 2009 MAG Unified Planning Work Program and Annual Budget to provide \$20,000 of MAG Surface Transportation Program funds to the MAG Intelligent Transportation Systems and Safety Services On-Call Services Consultant Project.

On May 28, 2008, the Regional Council approved the FY 2009 MAG Unified Planning Work Program and Annual Budget (UPWP). The UPWP included funding for Intelligent Transportation Systems (ITS) and Safety Services on-call services. On June 25, 2008, the Regional Council approved a list of consultants for ITS and Safety consultants. One of the areas approved in the on-call list was for ITS Planning. Work in the ITS area has been launched, and additional funding (\$20,000) is needed in this area. The proposed project will use the existing on-call consultant services to review and finalize the technical aspects of a document developed by the MAG ITS Committee and the MAG Technical Advisory Group describing the roles and responsibilities for the MAG Regional Community Network (RCN). The RCN is a telecommunications network using fiber optic communications. The primary purpose of this network is to enable the sharing of video images of traffic cameras, traffic management data, and other information between state, regional, and local agencies that are responsible for day-to-day operation and management of the multi modal transportation system in the Phoenix metropolitan region. On February 11, 2009, the MAG Management Committee recommended approval of the selection.

3C. Amendment to the FY 2009 MAG Unified Planning Work Program and Annual Budget to Accept Funding from the City of Phoenix for MAG to Conduct Coordinated Human Services Transportation Planning Activities

The Regional Council Executive Committee, by consent, approved to amend the FY 2009 MAG Unified Planning Work Program and Annual Budget to accept \$128,921 from the City of Phoenix as the Designated Recipient for Federal Transit Administration funds for MAG to conduct Coordinated Human Services Transportation Planning Activities, in accordance with federal requirements.

On October 6, 2008, MAG was notified that the City of Phoenix as the Designated Recipient for Federal Transit Administration funds would provide \$128,921 to support coordinated human services transportation planning activities. The federal Safe and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) requires the establishment of a “locally developed, coordinated public transit-human services transportation plan for all FTA programs for underserved populations: the Elderly Individuals and Individuals with Disabilities program (Section 5310); the Job Access and Reverse Commute program (Section 5316); and the New Freedom program (section 5317). For MAG to receive these funds an amendment is required to the FY 2009 MAG Unified Planning Work Program and Annual Budget.

4. MAG Participation in Electric Vehicle Working Group

Chair Neely introduced Dennis Smith, MAG Executive Director. Mr. Smith stated that he would introduce the item and then invite Jonathan Reed, President and CEO, of ECotality to make a presentation. Mr. Smith noted that staff met with Jonathan Reed and Colin Reed from ECotality, an Arizona company based in Scottsdale. He stated that the company shared that they were working with a major auto manufacturer to advance electric car technology in Arizona. Mr. Smith stated that ECotality currently operates in Phoenix and Scottsdale and has been conducting advanced testing on batteries and charging systems for electric car technology. He stated that the purpose of the agenda item is to request MAG’s participation in an electric vehicle micro-climate working group. Mr. Smith noted that ECotality was hosting a meeting with other community stakeholders that may be interested in participating in a working group that is scheduled for Thursday, February 19, 2009. He noted that the company was already working with the Pima Association of Governments (PAG). Mr. Smith stated that MAG’s participation could be represented by sending staff, elected officials or a combination of both. Mr. Smith invited Mr. Reed to provide more detail about ECotality and the electric vehicle micro-climate working group.

Mr. Reed stated that ECotality and one of its major subsidiaries, E-TEC, are based in Scottsdale and Phoenix. He noted that they have been residents of downtown Phoenix for fifteen years. Mr. Reed identified ECotality as one of nationally leading companies on electric transportation. He stated that ECotality is contracted with the U.S. Department of Energy to conduct testing for primarily hydrogen and electric alternative vehicles. Mr. Reed noted that ECotality has been requested by a major vehicle manufacturer, who is leading the way in the use of electric vehicles, to approach the Phoenix metro area and Arizona to participate as one of the five primary markets for the launching of electric vehicles over the next several years. Mr. Reed stated that for electric vehicles to thrive, infrastructure that requires less than hydrogen or other alternative fuels or energies will be required. He commented that ECotality is committed to developing a package that will allow recharge stations to be installed at little cost to government and operate as a private-public relationship where the recharged stations would be funded by private sources. Mr. Reed stated that the reason for outreach to government stakeholders is to establish relationships that will assist with facilitating a future permitting and building standard process following the installation of the initial infrastructure. He noted that the company is working with major utilities, the Arizona Department of Environmental Quality, and representatives in Pima County. Mr.

Reed announced that a series of stakeholder meetings will be held on February 19 and 20 to formulate a working committee of public and private sector parties that will address the build out of the project's infrastructure. He added that the vehicle manufacturer has invited Arizona to be one of the leading states to introduce the infrastructure that will support electric vehicles in the market. Mr. Reed noted that every major vehicle manufacturer in world, including new vehicle manufacturers are producing either plug in or pure electric vehicles in 2010 and 2011. He stated that Arizona has the highest per capita purchases of the Toyota Prius. Mr. Reed commented that the state includes a population committed to renewable energy and green inspired transportation. He stated that ECotality was excited about approaching MAG regarding its participation in the initiative and possible assistance in facilitating any regulatory issues. Mr. Reed said that it was important to garner input from communities regarding their infrastructure and technological requirements for supporting electric transportation.

Mr. Smith noted that the technology being discussed is universal and would be available to every vehicle manufacturer for use.

Mr. Reed stated that Nissan is looking to roll out vehicles in test locations such as Phoenix, Tucson, the Bay Area, Seattle, Tennessee, and Portland. Mr. Reed said that ECotality currently chairs the Society of Automotive Engineer's (SAE) panel for level three and level two charging. He noted that what has happened that is unique in electronic transportation systems is that all manufacturers have agreed to a common connector and a common system. Mr. Reed stated that the infrastructure technology is battery agnostic and vehicle agnostic. He noted that the recent federal stimulus bill is creating a wealth of opportunities for those who would like to apply for funding supporting electric transportation infrastructure. Mr. Reed stated that the current administration is very committed to electric vehicles and reiterated that Mr. Smith was correct that the technology being pursued will work for all auto manufacturers.

Chair Neely inquired what the appropriate review processes were at MAG to address this initiative.

Mr. Smith responded that one of the issues discussed and which may need to be addressed involved building codes. He noted that the vehicles require a 220 volt outlet in garages. Mr. Smith stated that MAG's building codes committee would be the appropriate place to begin reviewing that issue. He added that should the initiative become an economic development activity for the region, those efforts could be managed by Alana Chávez, Management Analyst III. Additionally, he stated that if there were any air quality implications, the air quality division would address those. Mr. Smith mentioned that ECotality had included a non disclosure form upon sending initial information. Mr. Smith introduced Fredda Bisman, MAG General Counsel, to comment upon the non disclosure form, noting that as a public body, MAG has certain responsibilities under public records law.

Ms. Bisman stated that because of public records law, any confidential agreement is limited. She said that alternatives are available as permitted by law, as determined by a body's attorney, or by a court. Ms. Bisman cautioned that MAG would have to be able to defend

a confidentiality agreement if it were to go to court. She stated that there are a couple of subsidiary issues such as limiting the status of discussion as a public body, which could be problematic. Ms. Bisman stated that before MAG and Nissan proceeded with further substantive discussions, she has requested to have issues concerning public records law addressed by their counsel. Ms. Bisman anticipated being able to mutually resolve the situation.

Mr. Reed stated that he believed the issue has been resolved noting that he was able to get Nissan to waive certain provisions and tailor the document to suit MAG's requirements.

Mayor Berman requested clarification regarding what the company wanted to accomplish. He asked how the program would work provided that currently it takes approximately eight hours to electrically charge a vehicle.

Mr. Reed replied that all electric vehicles being manufactured including the GM Volt will come with a plug in cord. He noted that a typical plug in hybrid will normally take approximately eight hours to charge, but that the utilities are looking for something more efficient. Mr. Reed stated that consumers could plug in their electric vehicle during peak consumption periods with the level two charger or 220-240 volts charging a battery in two hours. Mr. Reed noted that the charger ECOtality is building and partnering with utilities on are smart chargers. He stated that this technology would allow the consumer to sign up for a package with the utility which would allow the utility to charge vehicles primarily anytime between midnight and six o'clock in the morning, depending on their load managing requirement. Mr. Reed said that quick medium time charging is available and fast charging, which exists at Phoenix area airports, in partnership with utilities will be ubiquitous where charging could occur in ten to fifteen minutes. Mr. Reed stated that fast charging would be mostly located at commercial locations where a consumer was doing something else during the course of the day, such as at Walmart, Walgreens, Starbucks, or McDonalds. Mr. Reed stated that there are three levels of charging and that the program in Arizona will include the private sector installation of level three fast chargers, utilities working with customers to install medium fast chargers at home and continued presence of the plug in option for a long charge at home.

Mayor Smith asked whether the current technology is approximately forty to fifty miles per distance on an electric car.

Mr. Reed replied that it is forty to fifty miles for a plug in hybrid using the battery alone. He stated that Nissan's vehicles will range 150 to 200 miles and will be pure electric vehicles with no gas component. Mr. Reed added that the average car owner drives up to twenty to a maximum of thirty-nine miles per day, noting that the 150 mile range fits well within the consumer user patterns of daily vehicle use.

Mayor Smith asked if the charging will be metered in private or paid for in public like when you put air in your tires.

Mr. Reed stated that in public, items such as customer loyalty cards may be utilized. He noted that Google is working with the company to develop a transactional system that would eventually move to the private sector. Mr. Reed stated that the EV 1 was a government mandated and government run product. He stated that this effort is different with the consumer demanding the product and the private sector looking at ways to support the initiative.

Mayor Smith asked whether ECOtality was requesting government to assist in facilitating their program.

Mr. Reed replied that it will be helpful in terms of facilitating a streamlined permitting process. He added that doing so will assist car dealers and consumers avoid waiting two and a half months to receive a permit to install a charger for their electric vehicle.

Chair Neely asked if there was any objection sending this issue for review to the building codes subcommittee.

Mayor Hallman stated he appreciated the effort to move society towards electric vehicles. He asked what effort is being made so that electric vehicle efficiency is competitive to what is currently on the market.

Mr. Reed replied that an electric motor is four times more efficient than a combustion engine. He stated that they are the only company with a Department of Energy grant working on a coal classification program to capture wind power to create hydrogen for a coal gasification program which is creating as close to clean coal as possible.

Chair Neely asked if there were any other comments or questions.

Mr. Smith stated that MAG has been invited to a working group meeting on Thursday, February 19 at 12:30 p.m. at The Sheraton Downtown. He requested if there was any interest among Executive Committee members to participate or delegate staff to attend.

Chair Neely clarified that anyone on the Executive Committee was invited to attend. She requested a phone number if members wanted further information.

Mr. Reed provided his contact information. He noted that if members of the committee wished to experience electric vehicles, the company acquires two of every electric vehicle prior to hitting the market. Mr. Reed added that they have test run batteries and electric vehicles for the last twelve years and drive the vehicles up to 160,000 miles. He noted that Phoenix has some of the most advanced vehicles being tested in the industry.

Councilwoman Neely said she hoped the company was also looking at an element of solar technology.

Mr. Reed stated that Arizona has the best sunshine in the country and that the eventual advance of solar car parts will follow. He said that doing so is currently capital intensive. Mr. Reed stated that his company is initially trying to get the public involved in the use of

electric vehicles and understand their benefit prior to investing in the next highly capital intensive level. He said that installing a recharge station is no more expensive than putting in a gas pump for a level three charger. Mr. Reed noting that pure electric vehicles is a way to move solar technology forward because it is more cost effective and is private sector driven.

Chair Neely stated that MAG staff will take the item to the building codes subcommittee and look forward to a future report.

5. MAG Process Review Task Force

Chair Neely stated that MAG policies were going to be revisited. She introduced Mr. Smith to provide an update on the process.

Mr. Smith stated that it is common practice at MAG to revisit the organization's policies and procedures noting that efforts over the previous ten to fifteen years have included governance committees, a governance task force, and a governance advisory committee. Mr. Smith briefly discussed the reengineering effort that occurred in 1996. He stated that staff has compiled a draft list of major issues to be discussed. Mr. Smith requested input from the Executive Committee noting that a task force will be formed to discuss the document. He stated that following the input from the Executive Committee, the document will be distributed to members of the Regional Council for further input. Mr. Smith said that he anticipated that when the task force completed developing options to existing practices for further exploration, they will be presented to the Executive Committee. He noted that changes could be done via changes in administrative rules or bylaws changes. Mr. Smith reviewed a list identifying a proposed composition of the task force. He said that the proposed membership takes into consideration membership from around the region as well as demographics. He added that the proposed task force composition would also include the Chair and Vice Chair of the Management Committee who are from Avondale and Chandler respectively. Mr. Smith stated that this would add a blend of policy and management perspectives to the task force.

Chair Neely asked if committee members wanted to review the issues on the list individually or whether anyone had changes to what is being presented for consideration. She asked if members wanted to send the list to the Regional Council for further feedback, meet and then prepare for the task force.

Mayor Hallman stated that the latter may be inappropriate and not necessary to hold up the process. He said he hoped that the task force would not be restrained by the fourteen issues listed and that any additional ideas or concepts may be proposed from Regional Council members or others.

Chair Neely stated that she was open to that suggestion. She requested that Mr. Smith and MAG staff compile a document to be sent to members of the Regional Council for further input. Chair Neely thanked staff for their initiative to develop an initial list of issues to be discussed. She noted that the document identifies existing practices not recommendations

and that it was a framework to guide future discussion. Chair Neely asked if there were any additional comments.

Mr. Smith said that staff attempted to identify the pressing issues that may need to have processes reviewed such as how items are put on an agenda. He ensured that members will have an opportunity to have their concern heard. Mr. Smith noted that the draft document is not all inclusive, will seek others' ideas and could be sent in a timely manner to members of the Regional Council for further feedback.

Mayor Smith asked for clarification regarding the difference between the MAG Management Committee election process and the Regional Council.

Chair Neely stated that Management Committee went through succession issues when Jan Dolan left Scottsdale.

Mr. Smith added that the MAG bylaws have been more specific when applied to the managers.

Chair Neely requested staff to schedule a meeting of the task force and concurrently send the document to members of the Regional Council for input.

Mayor Schoaf stated that one item that is not listed which needs to be addressed is weighted voting.

Chair Neely said that she would like to send that issue separately to the Management Committee for review and have that come back through the process simultaneously.

Mr. Smith requested if that meant not including it in the comprehensive list but having the Management Committee review it and make a recommendation that would be presented to the Executive Committee.

Chair Neely agreed.

Mayor Schoaf commented he did not understand why it could not be included.

Chair Neely replied that the Management Committee could review the issue more precisely and it may impact financing issues or other matters, which may provide further benefit prior to reviewing it at the task force.

Mayor Hallman stated that it made sense to include it on the list but the Management Committee could begin reviewing it.

Chair Neely noted that the Management Committee would review weighted voting and its impact on other matters would be included on the list of issues to be addressed.

6. Development of the FY 2010 MAG Unified Planning Work Program and Annual Budget

Mr. Smith reviewed funding sources for the FY 2010 MAG Unified Planning Work Program and Annual Budget. He said that in April staff allocates funding sources originating from multiple sources of funds and provides a draft budget document for review. He noted that MAG receives multiple sources of funds to fund projects such as Federal Highway Administration (FHWA), Surface Transportation Planning (STP), Planning (P&L), Congestion Mitigation Air Quality (CMAQ) and grant funding. Mr. Smith added that the reason staff presents draft projects at this time is to allow time for review and prior to finalization of the projects in May. He noted that most projects identified are transportation related projects. Mr. Smith offered to answer general questions. He invited Eric Anderson, Transportation Director, to review two of the larger projects on the list.

Mr. Anderson discussed the 2010 Phase 1 Inter Loop Traffic Operations Model. He stated that the project would afford MAG the ability to do micro simulations in the highly developed area of central Phoenix. Mr. Anderson noted that this technology was key to accurately analyze specific improvements needed in the area. He stated that the current travel demand model does not provide significantly enough detail to assess how to address the I-10 and I-17 stack interchange which has to do with how the ramps are configured and what kind of traffic is approaching and exiting that location. He added that the travel demand model information includes volume data, but does not provide information regarding congestion levels and how operational improvement in the central core area could be accomplished. Mr. Anderson stated that to do that modeling would require a lot more data. He noted that a good portion of the budget contemplates the ability to collect significant detailed data such as turning movements, intersection counts, how many vehicles are entering for example on 7th Avenue and exiting on 19th Avenue, and how many vehicles are trying to get onto the I-17 north and south bound. He stated that this type of modeling is being recommended by the Central Area Peer Review Panel as a tool that would assist MAG in its modeling capabilities.

Mr. Anderson discussed the Central Phoenix Transportation Framework Study which is budgeted for \$600,000. He noted that the project is similar to what was accomplished in the Hidden Valley and Hassayampa studies. He stated that this study would include a comprehensive analysis of all the transportation systems serving the central Phoenix area, including the freeways, transit and arterial streets. Mr. Anderson noted that it would identify how these different modes of transportation function in an integrated fashion within the central corridor combined with the operations model he previously mentioned. Mr. Anderson stated that he believed it could be a good opportunity for how MAG might be able to better utilize the existing assets in central Phoenix.

Mr. Smith stated that the two projects discussed by Mr. Anderson may advance to the Management Committee agenda. He noted that depending on the impact of the federal stimulus legislation, it may affect how much time staff will have to develop these projects. He added that there will be time for the committee to further consider these projects.

Mr. Anderson stated that there are a number of activities related to the travel demand model. He said that the next associated project is the regional activity based model development for \$500,000. Mr. Anderson noted that MAG began this effort about two years ago to transition

the large regular travel demand model from a four-step model, which provides good data on commute flows, to the activity based model, which provides a better idea of what trips the public is making. He stated that other major metropolitan planning organizations (MPO's) have already made this transition and that MAG was waiting to see how other MPO's did with the transition. Mr. Anderson noted that Denver, Sacramento, San Francisco, and most of the other larger MPO's are going in this direction. He said this would be the third year MAG was funding the technological work to make this transition happen and believed it would result in a much better model. Mr. Anderson stated that the technology and information gathering is getting more sophisticated and it will be important to continue to invest in it to ensure MAG stays in a state of practice with other MPO's.

Mayor Cavanaugh asked if staff had considered including the connection between the State Route 51, State Route 202 and Interstate 10 east of deck park tunnel which seems as crucial as the Interstate 17 area.

Mr. Anderson clarified that the central area study does incorporate that area and used the Interstate 17 area as an example. He noted that the dimensions of the study would include the mini stack and certainly would include the State Route 202 and Interstate 10 at the deck park tunnel.

Mayor Cavanaugh asked if there is something that can be done to determine the efficiency of the off loading of the Interstate 10 by the State Route 85 and Interstate 17 and determine how effective a South Mountain expressway may be in helping to offload the congestion. He asked whether it would be possible to determine that so good policy and planning decisions can be made or suggest an alternative.

Mr. Anderson stated that staff is in the process of analyzing that information and are considering a number of different alternatives for both South Mountain corridors including different lane freeway and expressway/parkway configurations. He added that staff is also compiling cost information and what tradeoffs may be between cost and performance. Mr. Anderson noted that a lot of decisions are interrelated and needs to be understood separately to better understand the major impacts of alternate options. He said that staff anticipates presenting this information to the TPC in the near future.

Mayor Hallman requested what kind of technology is being employed in assessing what value South Mountain will provide. He asked how drivers were surveyed or if license plate readers were utilized to gather data information.

Mr. Anderson responded that license plate readers are certainly one of the data collection tools utilized by the ADOT consultant. He stated that staff is recently completing an external travel study which analyzed how many vehicles are coming in and out of the metro area. Mr. Anderson stated that this is a project staff has been working on a number of years and technology and the use of license plate readers has caught up with the methodology of matching important information.

Mayor Lopez Rogers thanked staff for putting this item on the agenda. She asked if funds for the projects are committed funds or if they were in jeopardy of being lost.

Mr. Smith stated that the funds are funds from secure funding sources. He stated that last month MAG was able to reduce dues by half for the member cities. Mr. Smith added that another item that will be brought to the Executive Committee at its next meeting pertains to the funding of the decennial census which is set at \$469,000. He stated that the FHWA recently informed staff that half of the amount could be paid out of the MAG General Fund which would offset costs for the cities.

Chair Neely stated that the information presented was very useful and informative. She asked if there were any other comments. There were none.

7. Transportation Planning Update

Nathan Pryor, Senior Policy Planner discussed information pertaining to the federal stimulus legislation. He stated that staff has been analyzing funding figures with the FHWA, Federal Transit Administration (FTA) and ADOT since the bill's passage in conference and is expecting that it will be signed by the President shortly.

Mr. Pryor stated that the estimated national transportation funding figures are \$ 27.5 billion for federal highways, \$1.5 billion for the competitive grants program, and \$8.4 billion for transit. He noted that the FHWA is still working through details on the competitive grants program. Mr. Pryor continued presenting the funding figures for Arizona noting an allocation of approximately \$521 million for highways, \$99 million for transit, and a 3 percent set aside for transportation enhancements. He stated that the anticipated range for the MAG region could be between \$253 to \$352 million. Mr. Pryor cautioned that the amount allocated would largely depend on discussion relating to the State Transportation Acceleration Needs (STAN) fund transfers at the State Transportation Board meeting on Friday.

Mr. Smith stated that the federal law states that revenues are cooperatively developed between ADOT and the MPO but did not know whether the distribution would be following the Resource Allocation Advisory Committee (RAAC) formula noting that none of the federal requirements have been waived for the stimulus legislation. Mr. Smith identified that there is another federal requirement as it relates to project selection for the discretionary funds that those projects are cooperatively developed. He stated that there is a lot of decisions to be made and did not know what the State Transportation Board would decide. Mr. Smith mentioned that Mr. Anderson had attended and testified at the last state board meeting.

Mr. Anderson commented that then ADOT Director Mendez had offered a couple of options relating to the funds. He added that the testimony he provided referred to the \$94 million sweep of STAN funds from the 2009 budget which noted that it would be appropriate that the MAG region be made whole from that sweep prior to any allocation of ADOT funds is made. Mr. Anderson stated that when STAN 1 funds were set aside, 60 percent of the funds

were to be spent in the MAG region. He noted that only 46 percent of the total funds supposed to be allocated to the MAG region were spent and that two of the projects that were ready to be bid in October were held by ADOT to make the cash available for the STAN sweep.

Mayor Hallman asked whether the Tucson project was funded.

Mr. Anderson replied that the Tucson project did go forward as well as another \$10 million in savings for an Interstate 10 widening project in Pinal County.

Chair Neely asked whether there is language stating that if the state identifies shortfalls in the 2010 and 2011 budgets, they could not sweep projects again and take the federal dollars to balance the state's budget.

Mr. Anderson replied that he did not believe that was accounted for in a specific way.

Mayor Hallman asked if it could include restriction in the legislation that also prevents replacement expenditures.

Mr. Anderson stated that there is restriction on supplanting of funds. He said he had yet to confirm whether taking state or local funds out of projects and putting them into non transportation funds could be done. Mr. Anderson noted that as long as funds are used in transportation, they could not be taken from a transportation related project to fund another project such as an education or a health project.

Mr. Smith said that if STAN funds were swept and put into the general fund, it may potentially upset the process where they are replenished. He stated that it could be argued that is what occurred at the state.

Mr. Anderson stated that since the STAN sweep happened before the legislation was passed, there is no guarantee that the funds will be replenished. He noted that he did not believe there is any earlier provision and that the nonsupplanting language relating to funding is probably the area that is least understood nationally.

Mr. Smith said that there certainly is a debate at the state level to balance the budget and there is no secret that there was an anticipation that there might be federal funds available to cover that which was swept. He added that it is hard to say it was not done in anticipation of federal funds, but it is not in the MPO's control.

Mr. Pryor stated that for the transportation portion of the stimulus legislation, it specifies that funds need to be released twenty-one days after enactment. He noted that at that time, "use it or lose it" provisions are triggered. Mr. Pryor said that for MPO's there is no short term obligation provision unlike the state which has up to 120 days to obligate fifty percent of the funding and where transit has 180 days to obligate fifty percent of its funding. Mr. Pryor added that all three entities are subject to a one year obligation deadline of February 17, 2010. He stated that unobligated balances will be drawn into a national pool and those states and regions that have used all of their funding will be eligible to draw upon that source of

funding. Mr. Pryor encouraged that there is an opportunity to access more funding if the MPO's move quickly.

Chair Neely asked Mr. Pryor whether the rest of the state has projects identified and ready to go that will meet the established deadline.

Mr. Pryor replied that it was staff's understanding that other MPO's in Arizona have been working and developing their project lists and have indicated that they are ready.

Mr. Pryor continued to discuss the competitive grants portion of the stimulus legislation. He stated that \$1.5 billion has been allocated for competitive grants, but some of the specifics of the program are still not known. He noted that the FHWA has completed identifying the criteria. Mr. Pryor added that when that is completed, the application will be due 180 days after such date. He said that as a result of the TARP legislation and the desire for transparency and accountability, Congress has built in provisions regarding reporting requirements. Mr. Pryor stated that all this information will be subject to reporting deadlines with the first report due in 90 days. Mr. Pryor stated that all this information will be posted at www.recovery.gov website. He conveyed that respective federal agencies are still developing their criteria, how that criteria is submitted, and how will it be posted for public review.

Mr. Pryor reviewed next steps. He noted that a meeting of the working group was held the previous Tuesday and that it would be meeting again on February 17 at 1:30 PM. He added that transit has met with its working group and that their next meeting is scheduled for Thursday, February 19. Mr. Pryor stated that given the short term obligation dates for ADOT and transit, staff is trying to prepare and be responsive in a timely manner because there may be a possibility to amend the TIP at the Regional Council on February 25. He added that in a conformity consultation, MAG as an MPO has more latitude and is given one year to obligate. Mr. Pryor stated that he is still working with the working group and member agencies regarding the project selection process and criteria to be considered.

Mr. Smith stated that drafting this item for the upcoming Regional Council agenda has been difficult because there are a lot of unanswered questions. He hoped that transit projects will be identified shortly and that MAG will be able to sit down with ADOT to cooperatively develop a list of projects for the region. Mr. Smith noted that if possible, staff would mail information for action separately to the Regional Council. He stated that identifying projects for the suballocated funding could take longer and that hopefully that could be accomplished in the next month. Mr. Smith stated that staff is moving quickly so that projects can be obligated and money be spent. He confirmed that the goal is to spend all of the money allocated for identified projects to be able to compete for funds not utilized by other states. Mr. Smith said that with respect to the enhancement funds, a call for projects has been sent to member agencies. He noted that after MAG collects and ranks the projects, they are sent to ADOT for another process where a state committee will decide how they will be funded.

Mayor Cavanaugh mentioned that a couple of years ago MAG facilitated a state association of Councils of Governments (COG's) and MPO's. He added that at this moment they appear

to be very interdependent provided provisions identified in the stimulus legislation. He noted that if one fails it will make it difficult for the others to compete for a share of additional money. Mayor Cavanaugh said that Mr. Smith was very involved in that effort when MAG chaired the association. He suggested that once MAG is comfortable in its position with ADOT, it may be advisable to bring the COG/MPO association together and provide an update on where each organization's activity is related to the Recovery Act.

Chair Neely requested if it would be possible to look at some dates in March to hold that meeting.

Mr. Smith stated that an Arizona COG/MPO Association Directors meeting has been scheduled in March and that the stimulus will likely be an issue discussed.

Mayor Cavanaugh encouraged that elected officials could also be included as part of the meeting.

Chair Neely requested staff to look into whether a meeting with the elected officials could be scheduled.

8. Adjournment

Chair Neely called for a motion to adjourn. Mayor Cavanaugh made a motion to adjourn. Mayor Berman seconded the motion. The motion passed unanimously.

There being no further business, the Executive Committee adjourned at 1:06 p.m.

Chair

Secretary